

SBA News and Views is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

Serving America's Small Businesses

U.S. Small Business Administration Wisconsin District Office

**Eric Ness, District Director
September 2003**

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SBA Home Page
<http://www.sba.gov>
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New 7(a) Authorization Wizard

The Small Business Administration has reprogrammed version 4.3 of the 7(a) Authorization in the Microsoft Visual Basic for Applications 6.0 (VBA) software to make updating the Wizards easier and the creation of loan authorizations more efficient. All future updates will be accomplished with this new software. No changes were made to the text of the 7(a) Authorization in this reprogrammed VBA version.

This procedural notice announces the availability to Lenders of this new 7(a) Wizard 2003, which can be downloaded from the National 7(a) Authorization page on SBA's Internet Banking site.

Beginning immediately, SBA field offices must begin using the VBA version of the 7(a) Wizard 2003 for all 7(a) loan authorizations they prepare. For PLP and CLP lenders, use of this version is required within 30 days of the effective date of this Notice. (Control No. 5000-883, effective 9/5/03).

Comments, questions or problems should be submitted to the 7(a) Authorization e-mail box at <mailto:Auth-7a@sba.gov>.

Allen-Edmonds Inducted into National SBA Hall of Fame

Allen-Edmonds Shoe Corporation will be inducted into the U.S. Small Business Administration Golden Anniversary Hall of Fame. A component of the SBA's 50th anniversary celebration, Allen-Edmonds is part of an exclusive group of 23 American companies that will be publicly recognized by SBA Administrator Hector V. Barreto during the closing ceremony of the National Entrepreneurial Conference and EXPO in Wisconsin, DC on Friday, September 19.

In addition to having received SBA assistance at some point, each nominated business was required to meet the following criteria: exemplary leadership in the business community, outstanding innovation, sustained growth, creating jobs and opportunities for others in their community, great diligence to overcome significant hardships to achieve success and outstanding dedication to their community.

"At the heart of our longevity and success is our commitment to providing our customers with the highest quality products and service," said John Stollenwerk, president and CEO of Allen-Edmonds Shoe Corporation. "In addition to those core values, we believe part of delivering the best service means giving back to our community and working even harder when we face big obstacles."

A privately-owned enterprise, Allen-Edmonds worked closely with the Wisconsin SBA between the years 1979-1989 to leverage loans that dramatically helped the business grow. What began as a small Wisconsin company in 1922 is now a globally-coveted brand with a strong presence in the showrooms of elite retailers in thirty-three countries. Allen-Edmonds is still headquartered in Wisconsin and, today, includes 759 co-workers, four U.S. manufacturing facilities and twenty-seven company-owned retail stores.

“What most people don’t know is that all of these businesses started out small and received help from the SBA. Their success was the result of hard work and an unwavering commitment to excellence,” said SBA Administrator Hector V. Barreto, “and the SBA is proud to have played a small part in the pursuit of their dreams.”

Allen-Edmonds manufactures and markets fine men’s footwear, accessories and cedar products using the philosophy of *quality, service and integrity*. Taking shoe making to the level of an art form, each pair of Allen-Edmonds shoes is painstakingly crafted by hand, in a process that includes over 200 separate production steps. Allen-Edmonds shoes are available all over the world and on the Internet. For more information, please visit the Allen-Edmonds website at www.allenedmonds.com.

President Bush Identifies Small Businesses as ‘Indispensable Factor’ in U.S. Economy

On September 15, 2003, President George W. Bush paid tribute to the key role small businesses play in leading the nation’s economic recovery, and called on all Americans to honor their contributions to the

American spirit during National Small Business Week (Sept. 14-20).

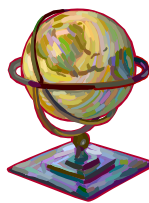
President Bush issued the proclamation for National Small Business Week, calling on American’s “to celebrate the achievements of small business owners and encourage and foster the development of new enterprises.”

“These entrepreneurs create between 60 and 80 percent of the new jobs nationwide and generate more than 50 percent of the nation’s gross domestic product,” the President said. “Small business owners lead the way in creating new technologies, products and services.

“The entrepreneurs who own and operate America’s small businesses are an indispensable factor in America’s economic strength. These entrepreneurs possess many of the characteristics that define the American spirit – innovation, dedication and drive. America’s small businesses are forging new opportunities and prosperity for America. Their tremendous spirit is an example to us all. Leading by example, America’s entrepreneurs have made, and continue to make, an indelible mark on our economy.

“During Small Business Week, we honor America’s millions of small business owners. Without their continued contribution to our country, the American dream would go unrealized.”

The U.S. Small Business Administration will host a gathering of America’s top entrepreneurs to celebrate the strength and vitality of the nation’s small business sector and honor the National Small Business Person of the Year for 2003 during ceremonies planned for the National Entrepreneurial Conference and Expo in Washington, DC, September 17-19.



Export Loans

Export Working Capital Program

The SBA’s Export Working Capital Program (EWCP) supports export financing to small businesses when financing is not otherwise available on reasonable terms. The program encourages lenders to offer export working capital loans by guaranteeing repayment of up to \$1 million or 90 percent of a loan amount, whichever is less. A loan can support a single transaction or multiple sales on a revolving basis.

Designed to provide short-term working capital to exporters, the EWCP is a combined effort of the SBA and the [Export-Import Bank](#). The two agencies have joined their working capital programs to offer a unified approach to the government’s support of export financing. The EWCP uses a one-page application form and streamlined documentation with turnaround usually 10 days or less. A letter of pre-qualification is also available from the SBA.

SBA guarantees EWCP loan requests of \$1,111,111 or less while loan requests over \$1,111,111 may be processed through the Export-Import Bank. When a EWCP loan is combined with an international trade loan, the SBA’s exposure can go up to \$1.25 million.

In addition to the eligibility standards listed below, an applicant must be in business for a full year (not necessarily in exporting) at the time of application. SBA may waive this requirement if the applicant has sufficient export trade experience. Export management companies or export-trading companies may use this program; however, title must be taken in the goods being exported to be eligible.

Most small businesses are eligible for SBA loans; some types of businesses are ineligible and a case-by-case determination must be made by the Agency. Eligibility is generally determined by Business Type, Use of Proceeds, Size of Business, and Availability of Funds from other sources.

The proceeds of a EWCP loan must be used to finance the working capital needs associated with a single or multiple transactions of the exporter. Proceeds may not be used to finance professional export marketing advice or services, foreign business travel, participating in trade shows or U.S support staff in overseas, except to the extent it relates directly to the transaction being financed. In addition, proceeds may not be used to make payments to owners, to pay delinquent withholding taxes, or to pay existing debt.

The applicant must establish that the loan will significantly expand or develop an export market, is currently adversely affected by import competition, will upgrade equipment or facilities to improve competitive position, or must be able to provide a business plan that reasonable projects export sales sufficient to cover the loan.

SBA guarantees the short-term working capital loans made by participating Lenders to exporters. An export loan can be for a single or multiple transactions. If the loan is for a single transaction, the maturity should correspond to the length of the transaction cycle with a maximum maturity of 18 months. If the loan is for a revolving line of credit, the maturity is typically twelve (12) months, with annual re-issuances allowed two times, for a maximum maturity of three years.

Four Unique Requirements of the EWCP Loan

1. An applicant must submit cash flow projections to support the need for the loan and the ability to repay.
2. After the loan is made, the loan recipient must submit continual progress reports SBA does not prescribe the Lender's fees.
3. SBA does not prescribe the interest rate for the EWCP.
4. SBA guarantees p to ninety (90) percent of a EWCP loan amount up to \$1 million.

A borrower must give SBA a first security interest equal to 100% of the EWCP guaranty amount. Collateral must be located in the United States.

Export Express

SBA Export Express loans are available to persons who meet the normal requirements for an SBA business loan guaranty. Loan applicants must also demonstrate that the loan proceeds will enable them to enter a new export market or expand an existing export market, and have been in business operation, though not necessarily in exporting, for at least 12 months.

Any lender that is authorized to participate in the SBA Express loan program may participate in SBA Export Express. SBA Export Express lenders use streamlined and expedited loan review and approval procedures and loan documentation. Completed loan applications are submitted for approval to the SBA's processing center in Sacramento, California. The SBA provides the lender with a response, typically within 36 hours.

The SBA guaranty encourages lenders to make loans to small business exporters that they might not make on their own. The SBA's Export Express guaranty is 85 percent for loans up to \$150,000 and 75 percent for loans more than \$150,000 up to a maximum loan amount of \$250,000. The

maximum loan amount under Export Express is \$250,000.

Interest rates are negotiated between the borrower and the lender. Rates can either be fixed or variable, and are tied to the prime rate as published in The Wall Street Journal. Lenders may charge up to 6.5 percent over prime rate for loans of \$50,000 or less and up to 4.5 percent over the prime rate for loans over \$50,000.

Like most 7(a) loans, the maturity of an SBA Export Express term loan is usually five to ten years for working capital, 10 to 15 years for machinery and equipment (not to exceed the useful life of the equipment), and up to 25 years for real estate. The maturity for revolving lines of credit may not exceed five years.

Because many small business exporters face unique problems and challenges, the SBA Export Express Program also includes technical assistance in the form of marketing, management and planning assistance.

Technical assistance is provided by SBA's U.S. Export Assistance Centers. In Wisconsin contact, John Nevell, Regional Manager, International Trade Programs at 312-353-8065.

On approval of an SBA Export Express loan, a U.S. Export Assistance Center representative will contact the borrower to offer appropriate assistance. This assistance may include training offered through the SBA's Export Trade Assistance Partnership, SBDC International Trade Center, SCORE, District Export Council, or Export Legal Assistance Network.



International Trade Loans

If your business is preparing to engage in or is already engaged in international trade, or is adversely affected by competition from imports, the [International Trade Loan Program](#) is designed for you.

The SBA can guarantee up to \$1,250,000 for a combination of fixed-asset (facilities and equipment) financing and Export Working Capital Program (EWCP) assistance. The fixed-asset portion of the loan guaranty cannot exceed one million (\$1,000,000.00) dollars and the non-fixed asset portion cannot exceed seven hundred fifty thousand (750,000.00) dollars.

The applicant must establish that the loan will significantly expand or develop an export market, is currently adversely affected by import competition, will upgrade equipment or facilities to improve competitive position, or must be able to provide a business plan that reasonably projects export sales sufficient to cover the loan.

Although most small businesses are eligible for SBA loans, some types of businesses are ineligible and a case-by-case determination must be made by the Agency.

The proceeds of a SBA International Trade loan may be used to acquire, construct, renovate, modernize, improve or expand facilities and equipment to be used in the United States to produce goods or services involved in international trade, and to develop and penetrate foreign markets.

PROCEEDS OF A SBA INTERNATIONAL TRADE LOAN CANNOT BE USED FOR DEBT PAYMENT.

The applicant must establish that the loan will significantly expand or

develop an export market, is currently adversely affected by import competition, will upgrade equipment or facilities to improve competitive position, or must be able to provide a business plan that reasonably projects export sales sufficient to cover the loan.

Loans for facilities or equipment can have maturities of up to 25 years and may be combined with a EWCP loan which has a maturity of 12 months-with 2 annual re-issuances allowed for a maximum maturity of 3 years.

For the fixed asset and permanent working capital portion of the International Trade loan, the Agency can guaranty up to eighty-five percent of loans of \$150,000 and less, and up to seventy-five percent of loans above \$150,000 and up to \$1,000,000. The Agency provides a ninety percent guaranty on the export working capital portion of the International Trade loan up to a maximum of \$750,000.

Only collateral located in the United States, its territories and possessions is acceptable as collateral under this program. The lender must take a first lien position (or first mortgage) on items financed under an international trade loan. Additional collateral may be required, including personal guarantees, subordinate liens, or items that are not financed by the loan proceeds.

If you would like more information about an export loan for your business, contact Tom Rooney in our Madison SBA office at 608-441-5511.

Hispanic Heritage Month

Hispanic Heritage Month recognizes and honors the achievements of Americans who trace their roots to Spain, Mexico, the countries of Central and South America and the islands of the Caribbean. Celebrated each year from September 15th to

October 15th and established by an Act of Congress, it is a time to reflect on the individual and collective accomplishments of the 35 million women and men that now constitute America's largest minority group.

President George W. Bush has noted that, "Hispanic Americans have enriched the American way of life, and we recognize the millions of Hispanic Americans whose love of family, hard work, and community have helped unite us as a people and sustain us as a Nation. As entrepreneurs and public servants, scholars and artists, Hispanic Americans have provided wisdom, energy, and leadership to our communities, and to our country."

The 1.2 million Hispanic-owned businesses in the United States employ almost 1.4 million people and generate \$186.3 billion in revenues according to the most recent U.S. Census Bureau report. Hispanic-owned firms made up six percent of the Nation's 20.8 million non-farm businesses. Indeed, businesses started and operated by Hispanic women are one of the fastest-growing categories of small business.

The U.S. Small Business Administration shares a commitment to minority business development and continues to support Hispanic business expansion efforts. In 2002, more than 1,700 Hispanic-owned firms participated in the SBA's Office of Government Contracting and counseling and mentorship from the SBA's Small Business Development Centers. The same year, the SBA's Office of Capital Access approved over 4,500 loans to Hispanic entrepreneurs totaling almost \$1 billion.

COMUNICADOS DE PRENSA
<http://www.sba.gov/espanol/>

PROGRAMAS Y SERVICIOS DE LA SBA
http://www.sba.gov/espanol/Programas_y_Servicios/

SBA Lenders for August 2003

Abbotsford State Bank

Wausau – 1 Loan for \$75,000

American National Bank Fox Cities

Appleton – 3 Loans for \$240,000

Anchor Bank SSB

Madison – 1 Loan for \$300,000

New Berlin -1 Loan for \$85,723

Total: 2 Loans for \$385,723

Associated Bank NA

Green Bay – 15 Loans for \$2,424,000

Associated Bank Minnesota NA

West St. Paul, MN

3 Loans for \$600,000

Bank Mutual

Milwaukee – 1 Loan for \$15,000

Bank of Little Chute

Little Chute – 2 Loans for \$564,000

Bank One NA

Chicago, IL – 4 Loans for \$502,300

Baylake Bank

Sturgeon Bay – 6 Loans for \$2,530,200

Capital Bank

Green Bay – 1 Loan for \$105,000

Capital One Federal Savings Bank

Falls Church, VA 7 Loans for \$270,000

CIT Small Business Lending Corp.

Morristown, NJ 1 Loan for \$1,250,000

Comerica Bank

Detroit, MI – 1 Loan for \$218,400

Community Bank & Trust

Sheboygan – 14 Loans for \$4,214,000

Community Bank Delavan

Delavan – 1 Loan for \$54,000

Community Bank of Grafton

Menomonee Falls 1 Loan for \$84,000

Community First CU

Appleton – 2 Loans for \$190,000

Eagle Valley Bank

Hudson – 1 Loan for \$79,335

First Bank Financial Centre

Hartford – 1 Loan for \$118,000

Oconomowoc – 1 Loan for \$63,000

Total: 2 Loans for \$181,000

First Citizens State Bank of Whitewater

4 Loans for \$426,200

First National Bank of River Falls

River Falls – 1 Loan for \$150,000

First National Bank-Fox Valley

Menasha – 1 Loan for \$160,000

Fox Communities CU

Appleton – 1 Loan for \$35,000

GE Capitol Small Business Finance Corp.

St. Louis, MO – 1 Loan for \$345,000

Great Lakes Asset Corporation

Green Bay – 1 Loan for \$662,000

Hometown Bank

Saint Cloud – 3 Loans for \$751,000

Horicon State Bank

Ripon – 1 Loan for \$185,000

Investors Community Bank

Manitowoc – 2 Loans for \$346,000

KimCentral CU

Neenah – 1 Loan for \$25,000

Landmark CU

Hartland – 1 Loan for \$150,000

Layton State Bank

Greendale – 1 Loan for \$60,000

M&I Marshall & Ilsley Bank

Milwaukee – 26 Loans for \$2,912,000

Marine Bank

Franklin – 1 Loan for \$50,000

Mid-Wisconsin Bank

Medford – 1 Loan for \$85,000

Milwaukee Economic Development Corp.

Milwaukee – 1 Loan for \$944,000

Monona State Bank

Monona – 2 Loans for \$65,000

National Exchange Bank & Trust

Fond du Lac – 2 Loans for \$825,000

Nicolet National Bank

Green Bay – 1 Loan for \$150,000

Oak Bank

Fitchburg – 1 Loan for \$120,000

Old Kent Bank

Chicago, IL – 1 Loan for \$1,100,000

Park Bank

La Crosse – 5 Loans for \$417,000

Pigeon Falls State Bank

Pigeon Falls – 2 Loans for \$189,500

Port Washington State Bank

Port Washington 1 Loan for \$150,000

Racine County Business Development Corp.

Racine – 1 Loan for \$366,000

River Bank

La Crosse – 1 Loan for \$420,000

S & C Bank

Eau Claire – 1 Loan for \$1,000,000

Saint Francis Bank FSB

Milwaukee – 1 Loan for \$35,000

St. Francis Capital Corporation

Brookfield – 1 Loan for \$270,790

State Financial Bank

Milwaukee – 1 Loan for \$100,000

US Bank NA

Cincinnati, OH 8 Loans for \$376,500

San Diego, CA 2 Loans for \$376,800

Total: 10 Loans for \$753,300

Waukesha State Bank

Waukesha – 3 Loans for \$375,000

Wells Fargo Bank Minnesota NA

Minneapolis, MN

3 Loans for \$775,200

Wells Fargo Bank NA

San Jose, CA – 2 Loans for \$115,000

Wisconsin Business Development Finance Corp.

Monona – 11 Loans for \$7,193,000

Wisconsin Community Bank

Cottage Grove – 1 Loan for \$250,000

Green Bay – 1 Loan for \$150,000

Total: 2 Loans for \$400,000

Micro Lenders for August 2003

Northeast Entrepreneur Fund, Inc.

1 Loan for \$300.00

**Information on SBA's most
popular [Loan Programs](#)**

Calendar of Events

**Classes and seminars geared
towards small businesses.**

2004 SBA SMALL BUSINESS AWARD NOMINATION

Help us recognize outstanding leaders in the small business community

AWARD CATEGORIES

Please check one or more potential categories:

- ☐ **Small Business Person of the Year:** For developing an outstanding, growing business; innovative product(s), increasing jobs, increasing sales, overcoming adversity, and community contributions.
- ☐ **Small Business Exporter of the Year:** Significantly increased export sales and profits, encouraging other firms to export, increased jobs through exports, and innovative methods of creating markets.
- ☐ **SBA Young Entrepreneur of the Year:** Owner will not reach 30th birthday by June 1, 2004, three-year evidence of success in sales and profits, increased jobs, innovative products, demonstrated potential.
- ☐ **Entrepreneurial Success Award:** Must own and operate a business that was launched "small" by SBA size standards, received SBA assistance and has since grown into a large business.
- ☐ **Minority Small Business Person of the Year:** For developing an outstanding, growing business, innovative products, overcoming adversity and community contributions.
- ☐ **Emerging Small Business Person** (Wisconsin Award only) For developing an outstanding business with under 25 employees, under \$2.5 million in sales and less than 10 years in business

Small Business Advocates of the Year: Those who promote small business, including volunteering time and services to small business interests and groups, advocating the cause of small business in the legislative process. Advocates may or may not be small business owners.

- | | |
|---|--|
| <input type="checkbox"/> Minority Small Business Advocate of the Year | <input type="checkbox"/> Women in Business Advocate of the Year |
| <input type="checkbox"/> Veteran Small Business Advocate of the Year | <input type="checkbox"/> Small Business Journalist of the Year |
| <input type="checkbox"/> Small Business Legal Assistance | <input type="checkbox"/> Small Business Research Advocate |
| <input type="checkbox"/> Financial Services Advocate (Accountant advocate merged with this category) | |
| <input type="checkbox"/> Home Based Business Advocate of the Year – Those who have sought to improve the climate for home based businesses | |

NOMINEE INFORMATION

I nominate _____ Title _____

Company/Organization _____ Address _____

City _____ Zip _____ Phone _____ Fax _____

Nominee's Qualifications for this Award—give short description (please attach brief statement on why this business/advocate should be considered):

When nominating a business owner please complete the following: Is the company operating profitably _____
 # of years in business _____ # of employees _____ annual sales \$ _____ SIC/NAICS code _____

NOMINATOR'S INFORMATION:

Nominator Name _____ Title _____

Organization _____

Address _____

City _____ Zip _____ Phone _____ Fax _____

Reply by **OCTOBER 3, 2003**

mail (or fax 414-297-1377) this form to:
 Small Business Awards Committee, U.S. Small Business Administration
 310 West Wisconsin Avenue, Suite 400
 Milwaukee, WI 53203

For more information, please contact: (414) 297-1093 Self-nominations accepted. This form may be duplicated. For further consideration, a nomination binder with detailed materials will be requested. SBA will contact the nominator with details. Thanks for your support!